

## Message Text

UNCLASSIFIED

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 SP-02 USIA-15 AID-05 NSC-05

EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 XMB-04

/072 W

-----041035Z 070834 /23

R 031332Z JUN 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3862

INFO AMEEMBASSY JIDDA

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 7987

E.O. 11652: N/A

TAGS: EAID, IN,SA

SUBJECT: SAUDI ARABIAN LOAN TO INDIA

1. AT A JUNE 2 CEREMONY HERE SAUDI ARABIA SIGNED AN AGREEMENT WITH INDIA EXTENDING LOANS OF 100 MILLION DOLLARS TO HELP FINANCE TWO POWER PROJECTS (SRISAILAM AND NAGARJUNA SAGAR) IN THE STATE OF ANDHRA PRADESH. THE AGREEMENT WAS SIGNED BY H.M.PATEL, GOI FINANCE MINISTER, AND DR. MOHSOUN JALAL, SAUDI MINISTER OF STATE FOR FINANCE AND VICE CHAIRMAN OF THE SAUDI ARABIAN FUND.

2. THE SRISAILAM PROJECT ENVISAGES THE CONSTRUCTION OF FOUR 1110 MW UNITS THAT ARE EXPECTED TO BE COMMISSIONED BETWEEN MARCH 1979 AND OCTOBER 1980. THREE MORE GENERATORS ARE PLANNED. TOTAL COST OF THE PROJECT IS PRESENTLY ESTIMATED AT RS 2.08 BILLION (ALMOST 240 MILLION DOLLARS.) IT IS EXPECTED THAT THE BULD OF THE SAUDI LOAN WILL BE USED ON SRISAILAM.

3. THE NAGARJUNA SAGAR PROJECT IS TO BE COMMISSIONED THIS AUGUST. THE TOTAL COST WILL BE APPROXIMATELY RS 156 MILLION (ABOUT 18 MILLION DOLLARS). OF THIS, THE SAUDI LOAN WILL PAY  
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FOR ALL EXPENDITURES INCURRED AFTER APRIL 1, 1976, (ESTIMATED TO BE AROUND RS 130 MILLION OR 15 MILLION DOLLARS).

4. COMMENT: THIS IS THE FIRST LOAN FROM THE SAUDI ARABIAN FUND TO INDIA AND REFLECTS INDIA'S GROWING ECONOMIC AND COMMERCIAL TIES WITH MIDDLE EASTERN COUNTRIES.GOHEEN

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NNN

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, HYDROELECTRIC POWER PLANTS, LOANS  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009